

Sanders Bros. (Stores) Limited: Gone but not Quite Forgotten

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In 1925, the landscape of UK grocery retailing was fundamentally different to the current environment, which is characterised by its high market shares and concentration. Our accounts of the change over this period are often seen from the present looking back and tend to focus on those businesses that have subsequently come to prominence. Retailing has of course altered over this period, with this change including:

- structural change in the nature of retailing and the use of retail space;
- technological change permitting productivity improvements;
- legislative change, allowing new forms and formats for trading;
- marketing change including retail branding;
- economic change (including the impact of the Great Depression, with which some are drawing parallels with today's economic environment); and
- the supply and demand chains and the relationships between retailers and their suppliers.

However, the retailers involved and their practices have also changed over this period. There has been an understandable focus on the "winning" retailers, and an ignorance often of those that have been less successful and disappeared. This paper sets out to look at one business which in the 1930s was of major significance and had more stores than J. Sainsbury's (albeit smaller) and was larger and more significant than Tesco. This retailer (which in 1925 was floated on the London Stock Exchange ("LSE")) as the largest cereal retailer in the UK) has since been consigned to oblivion. It does not appear in any of the academic accounts of the 1930s onwards and there appears to have been no research of any kind undertaken on the organisation. Given its scale and importance in the 1930s this is rather curious, but is perhaps explained by its decline and disappearance by the early 1950s. The retailer in question is Sanders Bros. (Stores) Limited. This paper sets out to understand its role and significance as well as its retailing and marketing operations, and to account for its subsequent decline. Lessons from this "journey" are drawn, not least in the light of current concerns about the retail sector.

Overview of Sanders Bros. (Stores) Limited

Sanders Bros. was a Corn, Flour, Seed and General Produce Merchant trading from 154 branches in 1925 in "London and the neighbourhood". The business was originally established c1887 by Messrs Thomas and Joseph Sanders. The company was formed to acquire the business and its shares listed on the LSE. With head offices and warehouse space of 2/3 of an acre at 48 Thomas Street, Limehouse, London (backing onto Limehouse Cut), the retailer owned a flour mill at Great Shelford, Cambridgeshire which milled flour for distribution to the retail establishments and for the manufacture of biscuits. Sanders Bros. in 1925 was also the largest retailer of poultry foods. Directors of Sanders Bros included Ernest Fairbrother (Chairman and managing Director) and Ernest Chaston (Flour Mill Manager) as well as the founding Sanders brothers. In 1932, the company acquired Gilbertson & Page Limited, a dog and game foods manufacturer, a business based in Hertford, and which is still trading, now based in Welwyn, Hertfordshire.

In 1925, the company's reported Earnings before interest tax, depreciation and amortisation ("EBITDA") was £109,000 and the fixed assets valued at £422,000. By 1937, the company traded from 263 branches, having opened 109 branches since its flotation. By 1950, the year of its takeover by Cromwell Industrial Securities Limited, EBITDA had fallen to £30,000.

Research purpose and method

The research aims to understand the history of Sanders Bros. per se, its production, marketing and retailing operations and its place in the retail landscape of its time. The research objectives are to identify the:

- environmental changes experienced during this period, including:
 - economic change in the Great Depression,
 - change in retail pricing following changes in legislation,
 - the development of the nature of retail space and retail marketing.
- approach adopted, and the success or failure achieved, by Sanders Bros. in the face of each of the areas of change; and

- factors affecting how change was managed by Sanders Bros.

An overview of the retailer, its strategy, approach to change and financial results will be presented, with comparisons to other contemporary retailers, including Sainsburys and Home & Colonial, where possible. Given the specialist background of the lead author, a forensic accounting analysis will be set out to “reconstruct” the aspects of the company’s financial information, notably turnover, not available due to the nature of filings of financial information with the Stock Exchange, and the less onerous disclosure requirements of UK Corporate law at the time. Consideration will also be given to the approach to change demonstrated by Sanders Bros.

Source material and data

It has to be recognised that reconstructing such a retailer, despite its size and reputation in the 1930s, is a problematic task. The data available on Sanders Bros is quite limited in that the company no longer exists, and no archive appears to be available. However, the Chairman’s annual statements are available through The Times Archive and annual financial statements for the company are available at the Guildhall Library in London. These have been consulted and analysed as part of the reconstruction. Information on the company’s subsidiary, Gilbertson & Page Limited is available through the UK Companies House and other sources, as the company still trades. It is anticipated (given personal contacts) that a few ex-employees of Sanders Bros. may be identified and interviewed, in order to deepen and contextualise the information gathered and improve the validity and relevance of the conclusions drawn. Benchmarking and comparative information on other retailers is available

through a number of sources, as well as The Times and Guildhall references above.

Information is also being sought on the entity which acquired Sanders Bros, Cromwell Industrial Securities Limited and how assets were disposed of, including “Chastons” Flour Mill at Great Shelford in Cambridgeshire, which is believed to have been sold by 1960 to Messrs. McDougall Limited (later part of Rank Hovis McDougall).

Nonetheless, the ability to obtain all the data that would allow the research questions to be answered fully is in question. Despite some less conventional attempts to reconstruct and obtain data, there will be gaps in knowledge and thus risks in interpretation. The presentation will also therefore reflect on the process of bringing back to life retailers such as Sanders Bros. when data are not as readily available as they are today.

Conclusions and Significance

Sanders Bros was an important retailer in the 1920s and 1930s but has been almost totally forgotten. This paper, despite the difficulties, brings the company back to life and through detailed analysis attempts to understand both its growth and its subsequent decline. This is achieved both for the company itself, but also in the context of the changing environment of the 1930s and 1940s, including the Depression and War years and the changing competitive landscape. The analysis is financial, managerial and operational (in this last case for example advertising strategy is considered through contemporaneous examples from major newspapers). Comparison with leading and emerging retailers and marketing practices of the time are made where possible.

The paper also has significance in the current climate. The current problems in the world economy and in retailing call for careful management and marketing thinking. Lessons from another time and other crises may be of interest and important.